


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 98-350-E - ORDER NO. 2003-460

JULY 18, 2003

IN RE:	Request of Carolina Power & Light Company)	ORDER APPROVING
	DBA Progress Energy Carolinas, Inc. for)	REVISIONS TO RIDER
	Approval of Premier Power Service)	
	(Experimental) Rider PPS-2 and Premier)	
	Power Service Contract.)	



This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (PEC or the Company) for approval of revised Premier Power Service Rider PPS-8. The Rider was originally approved pursuant to our Order 98-625 as a voluntary offering to non-residential customers requesting that PEC install, maintain, and operate generation located on the customer's premise. The Rider was termed "experimental." There are presently 14 premier power service (PPS) installations in the Carolinas with approximately 14 MW of installed capacity; however, there are presently no installations located in South Carolina.

Since its introduction, the Rider has been revised twice. The first revision, pursuant to Order No. 2001-449, extended the experiment for two years and provided dispatch capability for the generation as a system resource. The second revision, pursuant to Order No. 2002-600, clarified several ownership issues and revised the termination provisions to offer increased pricing flexibility.

In its present filing, PEC is requesting that the experimental status be removed and that the Rider be a permanent tariff offering. At present, the availability of the Rider expires after August 12, 2003. The Company is also seeking to lower the site capacity limit on generation installed at one location from 200 kW to 50 kW. According to the Company, often customers desire back-up service solely for a critical process or area of their facility, rather than backing up the entire electric service, thereby necessitating the use of a smaller generator. According to PEC, revising the capacity limits will permit PEC to better respond to these requests from customers.

Further, in the new filing, a new provision is included to permit a voluntary customer-requested test of the generation. Current procedures provide for test operation of all PPS generation for approximately 60 minutes each week at a time selected by PEC. Several customers have requested that the generation be operated prior to and during times when major storms or other weather disturbances are expected. These customers believe that if the generation is already in operation, there will be a reduced chance of outage should the weather cause an interruption to the electric service. PEC will charge an administrative fee of \$50 to initiate the customer-requested test and the customer must pay the replacement cost of all fuel consumed during the test, under the Company's proposal.


We would note that the matters requested for approval may be approved without notice or hearing, since they do not require a determination of the Company's entire rate structure and overall rate of return, and they do not result in any rate increase to the Company. See S.C. Code Ann. Section 58-27-870(F)(Supp. 2002). Accordingly, we have

examined this matter, and have determined that the revisions proposed by the Company should be approved. Removal of the experimental status and making the Rider a permanent tariff offering is reasonable, since the Company now believes that it has sufficient knowledge of the PPS concept to offer the Rider as a permanent tariff. See letter of Len S. Anthony, dated June 26, 2003. In addition, lowering the site capacity limits will allow PEC to respond more reasonably to those customers who desire backup service solely for a critical process or area of their facility. Id. Finally, operating the generation during major storms or when other weather disturbances are expected for testing is a reasonable variation from the original Rider. The charge of \$50 to initiate a customer-requested test, along with the payment of the fuel consumed during a test allows the customer additional testing options. Id. The revisions are hereby approved as filed, including certain minor wording changes made for clarity.

PEC shall file ten copies of the revised Rider with this Commission within ten days after the receipt of this Order.

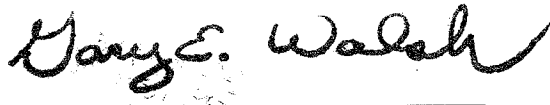
This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn
Chairman

ATTEST:



Gary E. Walsh
Executive Director

(SEAL)